GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4936
ANSWERED ON:16.12.2016
Credit Guarantee Fund Trust Scheme
Singh Shri Sushil Kumar

Will the Minister of FINANCE be pleased to state:

(a) the details of the criteria to sanction loans to small scale industries under Credit Guarantee Fund Trust (CGFT) Scheme;
(b) whether the Government sanction loans under the said scheme;
(c) if so, the details thereof during the last three years;
(d) whether the Government proposes to include disbursal of such loans through a single window clearance system and to sanction loan under CGFT scheme in the country; and
(e) if so, the details thereof along with the steps taken by the Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) : Credit Guarantee Trust Fund for Micro and Small Enterprise (CGTMSE) provides guarantee to its registered Member Lending Institutions (MLIs) (i.e. Scheduled Commercial Banks/Regional Rural Banks/Financial Institutions registered with CGTMSE) against the loans up to Rs.100 lakh extended by them without taking any collateral security and / or third party guarantee to Micro and Small Enterprise (MSE) units. CGTMSE extends credit guarantee under the scheme subject to the following criteria :
i) Credit facility should be extended by MLIs without collateral security and/ or third party guarantee.
ii) The activity of MSE should be Manufacturing and service.
iii) Rate of interest charged should not exceed more than 4% of Base Rate / PLR (Primary Lending Rate).

(b) to (e) : Government does not sanction loans under the scheme.

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